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SECURITY INFORMATION

Air Pouch

MOX-4- 11687

29 November 1951

ATTN : Chief of Staff, Karlsruhe
Chief, Foreign Division M

FRUENDEL Torpedo Explorer

Reference: MOX-4372324

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CENTRAL INTELLIGENCE AGENCY
SOURCE/METHOD/EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008

1. We sincerely regret the delay in answering reference dispatch. However, for your information, we still have received no definite word from [] as to their contemplated course of action. Your proposal in paragraph 6 of reference document was fully appreciated by this office and was recommended to []. Its practical application, though, now appears to be almost an impossibility. [] has been working on the problem along the lines outlined by you for weeks, but as of yesterday had made little or no progress. The approval for the expenditure of \$25,000 for the explorer was of course received months ago. However, in order for ZASERMAN to transfer funds abroad the transaction must be handled by an international bank. There is, furthermore, a law against the U.S. Government's buying non-American developments. In order to circumvent this difficulty a waiver must be obtained, a very complicated and time-consuming process.

2. On the other hand, transfer of funds in the U.S. from [] to SACRAL is a relatively routine matter. In order, therefore, to avoid any further delay and the almost interminable legalities involved we recommend that you conclude negotiations with FRUENDEL.

3. Your reactions to this would be appreciated.

ERP:dmb

ERG:ERP

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[] GRANTED []

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DATE 7-4-53